GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1186
ANSWERED ON:07.03.2002
PRIVATISATION IN POWER TRADING CORPORATION
MADAN PRASAD JAISWAL

Will the Minister of POWER be pleased to state:

(a) whether the Government have declared the policy in regard to major power projects wherein it has been proposed that the cities having population of more than a million will get electricity from the Power Trading Corporation only when the distribution is privatized;

(b) if so, the salient features thereof; and

(c) the time by which the Power Trading Corporation is likely to be set up?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : The Government of India formulated the revised mega power policy inNovember, 1998 to develop mega power projects in both private and public sector, supplying power to more than one State. The main objective of the revised mega power policy is to set up large power projects at pithead, in coastal areas and in the hydro sector, to generate power at the lowest possible tariff by utilizing economies of scale, locational advantages and fiscal and other comforts provided by the Government of India. Thepolicy envisages that a power trading company would be established which would purchase power from the identified private projects and sell it to the identified State Electricity Boards. A pre-condition would be that the beneficiary States should have constituted their Regulatory Commissions with full powers to fix tariffs as envisaged in the Central Electricity Regulatory Commissions Act, 1998.They would also have to privatize distribution in the cities having a population of more than a million. As envisaged in the Government of India`s revised mega power policy, Power Trading Corporation (PTC) has been incorporated on April 16, 1999 as a public limited companyunder the Companies Act, 1956 with the objective of purchasing power of mega power projects in the private sector.